



Michigan Department of Health & Human Services

Managed Care Common Formulary

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*Putting people first, with the goal of helping all Michiganders lead healthier
and more productive lives, no matter their stage in life.*

MCO Common Formulary

- A formulary that is common across all health plans for the next Comprehensive Health Plan contract.
- Required under Section 1806 of Public Act 84 of 2015.

Purpose of Common Formulary

- Promote continuity of care
- Reduce interruptions in a beneficiary's drug therapy due to a change in health plan
- Streamline drug coverage policies and reduce administrative burden for providers
- Facilitate collaboration among health plans

Coverage Requirements

- Health plans may be less restrictive, but not more restrictive, than the coverage parameters of the common formulary.
 - Health plans may cover other drugs in addition to the drugs on the MCO Common Formulary
 - Health plans may have utilization management tools that are less stringent than those on the MCO Common Formulary

Transition to Common Formulary

- To promote safe medication transitions and minimize the burden on patients and prescribers, all contracted health plans will be required to follow one set of policies and procedures on transition of care and grandfathering of drug therapy.
- Members will be transitioned to the Common Formulary within a 6-month period beginning in April 2016.

Drugs That Are Carved Out Of MCO

- The list of carved out drugs that are currently covered under the Fee-for-Service benefit will remain unchanged, including but not limited to:
 - HIV
 - Behavioral Health
 - Outpatient Clotting Factor
 - Select substance abuse treatments
 - Treatments for rare metabolic diseases

MCO Common Formulary Project

- MDHHS convened a workgroup of health plans participating in the next Comprehensive Health Plan contract.
- The Workgroup has made recommendations on drugs to include in the MCO Common Formulary.
- MDHHS is reviewing all recommendations made by the Workgroup and has final decision-making/approval authority.

Important Dates

- **November 19, 2015:** Second Stakeholder Meeting
- **January 1, 2016:** Final version of MCO Common Formulary will be posted on the Department's website
- **January 1, 2016-March 31, 2016:** Contracted health plans code and test common formulary in their claims systems
- **April 1, 2016:** Health plans start to transition members to the common formulary
- **September 30, 2016:** All members are transitioned to the common formulary

Ongoing Reviews

- Once the common formulary is finalized it will be reviewed on a quarterly basis.
- During these reviews new medications that are FDA-approved will be evaluated after they have been available in the marketplace for at least six months.

Frequently Asked Questions

Q: Will the Common Formulary apply to Fee-for-Service claims?

A: No – the Common Formulary will apply to beneficiaries in Medicaid Managed Care only.

Q: Will MDHHS pursue a Single Formulary which will apply to Managed Care and Fee-for-Service?

A: MDHHS will determine the feasibility of a Single Formulary in the future.

Q: Will drugs that are currently carved out of the CHP contract be included in the Common Formulary?

A: The list of drugs that are currently covered under the Fee-for-Service benefit will continue to be carved out.

Frequently Asked Questions (continued)

Q: Were rebates from drug manufacturers considered when creating the Common Formulary?

A: Fee-for-Service supplemental drug rebates and health plan rebates are out of the scope of this project. The Department's Preferred Drug List Supplemental rebates will continue to apply to the Fee-for-Service program. Available Federal Medicaid rebates will continue to be invoiced for both the Fee-for-Service and MCO lines of business.

Purpose of the Meeting

- The purpose of our meeting today is to provide an opportunity for stakeholder engagement and clarification of content before the draft MCO Common Formulary is finalized.
- Stakeholders also have the opportunity to submit formal written comments regarding the draft Common Formulary to MDHHS during the month of August.
- We also invite comment on procedures for transition of care and grandfathering of drug therapy, as well as drug utilization management tools (e.g. prior authorization, step therapy).
- Please note that this meeting is not intended to be a venue for pharmaceutical drug product-specific presentations.

Overview of Draft MCO Common Formulary

- The MCO Common Formulary is a list of products grouped by drug class
- Covered products are listed by name.
- Prior Authorization, step therapies, quantity limits and age/gender limits may apply to individual products.
- Products requiring prior authorization will be identified.
- The list will be updated at least quarterly, and will be available on the Department's website.

Panel

Facilitator: **Kathy Stiffler**, MA, Acting Medicaid Director, MDHHS

Panelists:

- **Debera Eggleston**, MD, Chief Medical Director for Medicaid, MDHHS
- **Trish O'Keefe**, MPA, RN, Pharmacy Management Division Director, MDHHS
- **Carrie Germain**, RPh, Senior Director of Pharmacy Services, Michigan Association of Health Plans
- **Rene Acker**, RPh, Pharmacy Director, Meridian Health Plan
- **James Forshee**, MD, Chief Medical Director, Molina Healthcare